

LAND BASED ECOTOURISM BICYCLE TOURING

Prepared for:

**Economic Development Branch
BC Ministry of Sustainable Resource Management**

With the Generous Support of:

Skeena Region (MSRM)

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January 2003

BUILDING BLOCKS FOR ECONOMIC DEVELOPMENT & ANALYSIS

PREFACE

PURPOSE

Building Blocks have been conceived and developed by the Economic Development Branch of the Ministry of Sustainable Resource Management, under the guidance of Nancy South, Manager Economic Analysis, as an analytical tool that supports British Columbia coastal and land and resource use planning and decision-making and economic development initiatives. The Blocks contain concise business and sector information for a broad range of resource-based business types in BC. At this point, there are more than 30 Blocks either complete or in draft form. Several more Blocks have been identified as high priority by planning tables and other client groups. Additional Building Blocks will be developed over time, and some Blocks may be updated. For the most current Building Blocks, please see the Ministry of Sustainable Resource Management website, at: <http://srmwww.gov.bc.ca/rmd/ecdev/>

ACKNOWLEDGEMENTS

Generous support in terms of both funding and staff time has been provided by the Ministries of Energy and Mines; Water, Land and Air Protection; Agriculture, Food and Fish; and Forests, as well as by Skeena and Coast Regions of the Ministry of Sustainable Resource Management.

BENEFITS

Building Blocks are expected to provide the following general benefits:

- Increase efficiency and more informed decision-making by providing readily accessible, credible information to planning and economic development processes;
- Improve the consistency of economic information across planning areas;
- Support economic analysis and decision-making that occurs outside formal coastal and land use planning processes; and
- Provide linkages between economic analysis and other social and environmental analytical tools (through identifying resource requirements to support economic activities and general compatibilities with other sectors and values).

LIMITATIONS

Every effort has been made to ensure that the information contained in Building Blocks is accurate and consistent. Approved, credible data sources are the foundation for Building Blocks. All Blocks were reviewed by sponsoring agencies and other experts. However, users are cautioned that information is used at their own risk, and that the authors and sponsors are not liable for any damages. Any conclusions or interpretations by the authors are not intended to represent government policy. Also, note that Building Blocks do not provide site specific information nor do they consider requirements for sustainability (social, community, environmental).

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RECOMMENDED REFERENCE/CITATION

BC Ministry of Sustainable Resource Management, 2003, Building Blocks for Economic Development and Analysis, [Title of Sector]. <http://srmwww.gov.bc.ca/rmd/ecdev/>

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1.0 INTRODUCTION

Nature-based tourism / Ecotourism is defined as travel to relatively undisturbed areas with the specific objective of admiring, studying and enjoying the scenery and its wild plants and animals as well as existing cultural features found in the area.

Ecotourism activities have been sorted into the following categories:

➤ **Marine Ecotourism**

- marine cruising including sailing, yacht and power cruising
- sea kayaking tours

➤ **Land based Ecotourism**

- Bicycle Touring/Mountain Biking
- Horseback Trail Riding
- Hiking/Backpacking/Trekking
- Freshwater River Rafting, Canoeing and Kayaking
- Winter Tourism (Back Country /Tour Skiing, Dog Sledding, Snow Shoeing)

Please refer to the **Marine Ecotourism Overview** and the **Land-based Ecotourism Overview** documents for background information on the Building Blocks, a definition of Ecotourism, the overview of the Ecotourism sector and the bibliography. The Ecotourism Overviews are an integral component of the suite of Ecotourism Building Blocks.

2.0 OVERVIEW

- Includes commercial operators and guides that offer bicycle tours in B.C. as their primary business activity.
- There are two main sub-sectors within the bicycle touring segment: (1) distance touring, where a bicyclist may cover a few hundred kilometres during a multi-day tour; and 2) technical and high aerobic rides associated with steep terrain and obstacles which may involve chair lifts or helicopters providing drop-off or pick-up services.¹
- This Building Block focuses on commercial operators that offer multi-day tours, usually involving distance touring. Tours may be on roads and cover an area such as the Gulf Islands, or on well-developed dedicated trails such as the Kettle Valley Railway (KVR) trail (The KVR trail is a 600 km abandoned railway corridor now converted into a multi-use trail in Southern B.C. that starts in Castlegar (Kootenays) and ends in Hope).
- Most businesses offering multi-day bicycling tours are associated with front country road touring, but a growing number are offering tours on well-developed trails and other more adventurous mountain biking trails.
- Multi-day bicycling tours often combine other activities such as hiking or rafting.
- Accommodations include lodges, backcountry cabins and camping sites depending on the tours.

2.1 Number of Operators

- A review of internet web sites identified approximately ten B.C. based bicycling tour operators whose primary focus is to offer multi-day bicycling tours in B.C. Popular destinations for multi-day bicycle tours include: Vancouver Island (including the Galloping Goose Regional Trail near Victoria), the Gulf Islands, the Kettle Valley trail, Whistler/Sea-to-Sky region and the Kootenays.
- In addition, there may be as many as 50 other tourism businesses that offer cycling as part of multi-sport adventures and activities, or offer the occasional cycling tour (for example, one sea kayaking business operating in B.C. offers bicycling tours in Mexico during the winter months). There are also wholesalers that advertise bicycling tours as well as other adventure tours. In addition, lodging facilities that cater to adventure travellers increasingly offer bicycle-touring activities.
- B.C. is becoming more popular as a mountain biking destination and most B.C. bicycle touring companies offer on-trail or off-trail mountain biking tours. Popular destinations for mountain biking include: Gulf Islands, southern Vancouver Island, Whistler, the Okanagan Valley and the Kootenays. There are many popular mountain biking trails in all regions of B.C.

2.2 Growth of the Industry

- Bicycle touring in B.C. has grown significantly in the last decade with the growth in mountain biking and the completion of various trails and cycling routes such as the Galloping Goose Trail and the KVR trail.
- The KVR trail was formally established as a multi-use corridor in 2000 as part of the Trans-Canada trail. Substantial work on railway bridges recently allowed the linking of the complete trail system.
- Further growth of bicycle touring is expected as the B.C. southern region focuses on marketing tourism opportunities related to the KVR.

3.0 COAST/LAND RESOURCE REQUIREMENTS/SENSITIVITIES

- There are no land resource issues relating to distance bicycle touring on roads.
- Mountain biking often conflicts with other trail users such as horseback riders and hikers.
- Mountain biking can have negative environmental impacts on trails. A study by two University of Guelph professors showed that "biking and hiking generally had similar effects on vegetation and soil",² however, the study does not account for the fact that a bicyclist covers a lot more ground in a given period of time than a hiker.
- Many of the conflicts and environmental issues associated with mountain biking pertain to organized races that congregate large numbers of riders in a very short time frame, (for example, a 24 hour mountain bike race in Moab, Utah³), not mountain biking tours involving small groups of users in relatively remote areas.

4.0 INVESTMENT REQUIREMENTS

- Bicycle touring relies on existing infrastructure such as trails, accommodations and camping sites. As a result, the minimum required investment is small, particularly since clients often provide their own bicycles. Most commercial bicycle touring operators offer clients the option of bringing their own bicycle or renting one.
- For a small to medium size business, the level of investment required ranges between \$35,000 and \$75,000 including bicycles, camping gear and a vehicle to shuttle bicycles and passengers. The investment in bicycles and associated gear may range between \$5,000 for a very small operator to \$20,000 for a medium size business. The cost of a new vehicle may be as much as \$40,000, but operators can often purchase older vehicles at a lower cost. Larger operators would typically own more than one van.
- Commercial operators often choose to lease their vehicles to help reduce the initial capital investment required.

5.0 INFRASTRUCTURE

- Bicycle touring operators use existing trails and roadways, as well as existing facilities such as lodges and camping sites.
- Accommodations are somewhat rustic on some of the tours such as the Kettle Valley Trail cycling tours due to the remoteness of the trail.
- Long distance bicycle tours are offered worldwide by companies catering to a broad spectrum of guests. These tours often include luxurious accommodations – for example, a comparison chart of tour companies operating in Provence (France) or Tuscany (Italy) showed that out of 12 bicycle touring companies, the range in per day cost per guest was US\$146 per day for the Bicycle Adventure Club and US\$586 per day for Butterfield & Robinson (B&R).⁴ This includes lodging, route sheets, breakfast and dinners. (B&R is a Toronto-based bicycle touring company that offers luxury bicycling tours around the world and has approximately 30 permanent staff).
- The limited accommodation facilities in some areas of B.C. limit the attractiveness of the tours for some of the upscale markets. For example, for one tour operator, prices range between approximately C\$200 per day for the Kettle Valley Tour, which involves camping and rustic lodge accommodations, and C\$350 per day for a tour of the Gulf Islands with more luxurious Bed & Breakfast accommodations and meals. Another operator suggested prices of \$150 per day for tours involving camping, and \$225 per day for fixed roof accommodations.
- There are many lodges and bicycle touring companies that offer one-day bicycle tours or multi-day tours involving flexible drop-off and pick-up areas that allow guests to stay in more up-scale accommodations, eat gourmet meals, take part in wine tasting, stay at a spa, etc.
- Proximity to an airport may be important particularly when catering to out-of-province travelers.

6.0 MARKET

A 1988 study on Adventure Tourism in B.C. reported the following trends for bicycle touring in B.C. for 1986:

- On average, bicycling tours were for 7 days and the average cost was \$150 per day.
- 51% of clients were between 35 and 54 years of age, 36% were between 20 and 34, 7% were younger than 20 and 6% were older than 55.
- 46% of clients were from B.C., as shown on the following table.

Market Origin of Bicycle Touring Clients

	1986 – Bicycle touring	Current Estimate
BC Residents	46%	40%
Other Canada	9%	20%
U.S.	29%	30%
Overseas	16%	10%
Total	100%	100%

Source: 1986 data: *Adventure Travel in British Columbia: 1988*. Current data: discussions with operators.

The above table provides current estimates on the market origin of bicycle touring clients based on discussions with bicycling and other types of operators specializing in adventure travel. The percentage of clients from each market depends on the types of tours offered. Day tours mainly attract B.C. residents whereas multi-day tours are more likely to attract a greater percentage of clients from the U.S. and overseas.

The 1986 bicycle ridership data do not reflect the growth and increased popularity of mountain biking. Bicycle ridership data in the U.S. show that between 1993 and 1998, the number of bicycle riders dropped by 9%, but during the same period, the number of mountain bikers increased by 46% for on-road mountain biking and 87% for off-road mountain biking.⁵

Mountain biking has important economic benefits, although most relate to recreational use. The economic impacts associated with mountain biking in Moab, Utah were estimated at approximately US\$200 per user day, based on the travel cost method i.e. how much each visitor pays on average to take part in mountain biking in that region.⁶ That same survey showed the average length of a trip was 5 days (4 days spent in Moab), visitors travelled an average of 525 miles to Moab, average group size was 3.74 and the average visitor was 27 years of age (1996).

Building Blocks for Economic Analysis

The Clover Point Cartographics study for the North Coast completed in 2000⁷ identified the following market trends for mountain biking:

- Participants are younger than the average bicycling tour participant with 47% of participants being between 18 and 34 years of age; a further 33% are between 35 and 44 years of age; and the balance or 20% are either younger than 18 or older than 44 years of age.
- Currently, most mountain biking participants in B.C. are Canadian.

7.0 LABOUR MARKET

- Guest-to-guide ratios are not regulated, but tend to average approximately 1 guide for 5 or 6 guests. Tours range in size depending on operators, with some advertising tours of up to 20 guests per trip.⁸
- Skills for experienced guides include Class 4 driving licenses, bicycle riding and maintenance skills, and cooking skills.
- Wages for guides range between \$100 and \$125 per day depending on experience.

8.0 CAPACITY

- The growth of bicycle touring in B.C. is limited primarily by market constraints.
- The remoteness and rugged geography of B.C. as well as the extensive network of trails make B.C. an attractive destination for mountain biking tours.
- The increased popularity of mountain biking may result in an increase in ridership, which may ultimately result in increased regulations and tighter restrictions on commercial tourist activities in popular recreation areas and in provincial parks.

9.0 REGULATORY REGIME

9.1 Safety

- There are no regulated standards for bicycle touring operators, although all promote safety through the use of helmets for all riders.
- Bicycle touring companies operating on roads do not require any specific permits.
- Bicycle tour operators transporting passengers must hold a valid Motor Carrier License.

9.2 Use of Provincial and National Parks

- Tourism operators including bicycle touring operators using Provincial Parks require Park Use Permits (PUP).

9.3 Use of Crown Lands

- In 1998, the B.C. government introduced a commercial recreation management program requiring operators to acquire licenses for extensive use of Crown lands.
- The 1998 regulations require outdoor operators to apply for a Licence of Occupation for each area of Crown land they plan to use for more than 14 days in a six month period. Annual fees for a base camp are \$500, plus \$100 per site for satellite sites (excluding an application fee of \$107 per operator). This grants holders the right to occupy a site over any other commercial users, but recreational users continue to have over-riding priority on any site, licensed or not.⁹ In some cases, tenure holders may be allowed to build improvements on specific sites, and they may be granted exclusive rights to those improvements.¹⁰ The bicycle touring operators contacted as part of this study, do not hold any Licenses of Occupation.
- The 1998 regulations for the use of crown land sets permitting fees for non-motorized commercial use at \$1.00 per client day, with a minimum of \$500 per year. The B.C. Government is working with industry to implement the B.C. Commercial Recreation Policy and to encourage operators offering fee-for-service activities on crown land to register tenures. The operators contacted as part of this study are not yet paying these fees, although in one instance, the operator paid \$2 per guest per day to a volunteer organization responsible for upgrading trails on crown lands.
- The 1998 regulations specify that the issuing of a license requires the completion of a long term management plan and a minimum of \$1 million in third party liability insurance.

10.0 GOVERNMENT REVENUES

- Government revenues are generated through corporate and personal income taxes.
- Bicycle touring operators pay permitting fees for operating in national and provincial parks and for the extensive use of areas on crown lands.

11.0 INPUT-OUTPUT TABLE – BICYCLE TOURING OPERATORS

The following table shows a range of data for key socio-economic impact variables for bicycle touring operators in B.C.

Indicators	Small Operators	Larger Operators
Number of Operations	Estimated 5 or 6 smaller bicycle touring operators; may be as many as 50 businesses that offer some bicycle touring, usually as part of other types of adventure tours	Estimated 5 or 6 bicycle touring operators in B.C.
Land Resources	Use parks, trails and campsites	Use parks, trails and campsites
Crown Resources	Trail riding Campsites – overnight trips with tents	Trail riding Campsites – overnight trips with tents
Product Created	Day and Multi-day tours	Day and Multi-day tours
Investment	Minimal investment; small business could be started with \$35,000: \$5,000 in bicycles and \$30,000 for a vehicle to transport bicycles and passengers; investment in vehicle may be financed through car leasing	May involve investment of between \$15,000 and \$20,000 in bicycle and other equipment; Probably requires at least 2 vehicles for carrying bicycles and passengers
Sales	Approximately \$45,000 in revenues net of accommodation costs (400 client days)	Approximately \$100,000 in revenues net of accommodation costs (800 client days)
Employment	Approximately \$10,000 in wages based on 1.5 staff in the summer months; Owner-operator works part of the year to plan and market business	May hire 3 or 4 guides in the summer months and incur \$25,000 in wages; guides earn \$100 to \$125 per work day, plus food
Purchases of goods and services	Approximately \$12,000 for food and supplies (\$30 per client day); other major expenses include gas and vehicle expenses Accommodation costs are passed on to clients	\$24,000 in food and supplies (\$30 per client day); other major expenses include fuel and other vehicle related expenses Accommodation costs are passed on to clients and can range from minimal costs for camping to \$150 per guest per day and more for luxury accommodations; some operators offer gourmet meals, wine tasting, spa and other activities which are also added to the fee
Government Revenues	Permit fees for use of parks and trail use	Permit fees for use of parks and trail use

Source: Current indicators: prepared by *Pierce Lefebvre Consulting* based on interviews with operators and other documents.

11.1 Preliminary Income Statement – Bicycle Touring Operators

	Small Operator	Larger Operator
Revenues Net of Accommodation	\$45,000	\$100,000
Food and Supplies	\$12,000	\$24,000
Wages	\$10,000	\$25,000
Insurance (car and third liability)	\$3,500	\$5,000
Marketing and Promotion	\$3,000	\$4,000
Fuel	\$2,000	\$4,000
Maintenance	\$2,000	\$4,000
Government Fees	\$500	\$1,000
Other costs	\$2,500	\$4,000
Sub-total Variable Costs	\$35,500	\$71,000
Contribution towards Fixed Costs, Debt Interest and Owner	\$9,500 (21% of revenues)	\$29,000 (29% of revenues)

Notes:

1. The cost estimates exclude accommodation costs as these vary depending on the types of lodging and are typically passed on to the clients; for example, one operator in the Gulf Islands offers clients on the same tour the opportunity to pay \$75 per day more to stay at a Bed & Breakfast lodge rather than camp.
2. Estimates for the small operator are based on 400 guest days; food costs assumes \$30 per guest per day; wages are for 1 or 2 guides during the summer months, excluding the owner.
3. Estimates for the larger operators are based on approximately 800 guest days; \$30 per guest per day for food; and wages for 2 or 3 guides during the summer months, excluding the owner.
4. The breakdown of expenses varies depending on whether most are day trips or multi-day trips.
5. Transportation includes gas and vehicle expenses, but excludes leasing fees associated with vehicles.

Source: Current indicators: prepared by *Pierce Lefebvre Consulting* based on interviews with commercial operators.

The main data sources for this building block include:

- Interviews with operators and industry representatives.
- Internet web sites of various commercial operators.
- The Outdoor Recreation Council of B.C., *Adventure Travel in British Columbia Summary*, 1988.
- Clover Point Cartographics Ltd., Geoscape Environmental Planners, Marlyn Chisholm and Associates and Sunderman and Associates, *Forest and Fisheries Tourism Opportunities Study for the North Coast Forest District Project Report*, B.C. Ministry of Small Business, Tourism and Culture, 2000, Section 6-10 on Mountain Biking.

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¹ Clover Point Cartographics Ltd. et al., *Forest and Fisheries Tourism Opportunities Study for the North Coast*, 2000, section 6.10.1.

² Thurston, Eden, and Richard J. Reader, *Impacts of Experimentally Applied Mountain Biking and Hiking on Vegetation and Soil of a Deciduous Forest*, University of Guelph, Spring 2001.

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⁴ Bike Tour Company Review, *Bicycle Tour Operators Comparisons*, http://www.biketour-reviews.com/bike_chart.

⁵ National Sporting Goods Association (U.S.), www.bicycleretailer.com/statistics, as reported by Marlyn Chisholm & Associates, Geoscape, Clover Point Cartographics and Insight Research and Consulting, *Shuswap Tourism Opportunity Strategy*, Salmon Arm Economic Development Corporation, Columbia Shuswap Regional District, 2002; Section 6.10 "Mountain Biking and Cycle Touring".

⁶ Fix, Peter and John Loomis (Colorado State University), *The Economic Impact of Mountain Biking at One of Its Meccas: An Application of the Travel Cost Method to Mountain Biking in Moab, Utah*, 1996. www.bikeadironacks.org.

⁷ Clover Point Cartographics Ltd. et al., *Forest and Fisheries Tourism Opportunities Study for the North Coast*, 2000, section 6.10.1.

⁸ Interviews with adventure tour operators and review of web sites.

⁹ B.C. Ministry of Water, Land and Air Protection, wlapwww.gov.bc.ca, 2002; also, Land and Water British Columbia, [www.lwbc.bc.ca/for business/commercial recreation](http://www.lwbc.bc.ca/for_business/commercial_recreation), 2002.

¹⁰ Outdoor Recreation Council of B.C., *Examining a Trail Strategy for B.C. from the Demand Perspective*, 2000.